

CEA ACTION PROPOSAL

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Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

2025-09-26

2. Department

California Tax Credit Allocation Committee (CTCAC)

3. Organizational Placement (Division/Branch/Office Name)

4. CEA Position Title

Deputy Executive Director

5. Summary of proposed position description and how it relates to the program's mission or purpose.
(2-3 sentences)

Under the general direction of the Executive Director of the California Tax Credit Allocation Committee (CTCAC), the incumbent functions as the Deputy Executive Director in charge of all functions and programs performed by CTCAC and California Debt Limit Allocation Committee (CDLAC). The position provides policy, program, and technical direction when carrying out critical function in the provision of affordable rental housing throughout California, and functions as the Acting Executive Secretary of both CTCAC and CDLAC during those periods of time when the Executive Secretary is unavailable.

6. Reports to: (*Class Title/Level*)

Executive Secretary, CTCAC (Exempt)

7. Relationship with Department Director (*Select one*)

- ☒ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☐ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (*Select one*)

- ☐ 1st ☒ 2nd ☐ 3rd ☐ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

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B. SUMMARY OF REQUEST**9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.**

The Deputy Executive Director (CEA) reports directly to the Executive Secretary, California Tax Credit Allocation Committee (CTCAC). The position is at the second organizational level and meets the CEA criteria of having a decisive role in policy-making, and will have regular involvement in department-wide policy and program management. This position oversees the strategic development, implementation, and enforcement of policies and programs that are critical to achieving California's housing goals. This position works with exceptional independence on policy oversight and development, only seeking concurrence of the Executive Secretary of CTCAC on major policy issues. When acting in the absence of the Executive Secretary, the position works with full independence and reports directly to the State Treasurer, the CTCAC Committee Members, and California Debt Limit Allocation Committee (CDLAC) Committee Members.

Specific duties include:

Statewide Policy Influence: The CEA serves as the primary policy advisor to the Executive Secretary for CTCAC and CDLAC. They are responsible for providing executive leadership and strategic direction in the development and administration of statewide policies governing the allocation of tax-exempt bonds and tax credits. The CEA will develop and implement policies and regulations in response to evolving state and federal legislation, capital markets trends, and stakeholder needs.

Supervisory and Leadership Responsibilities: The CEA directly supervises senior-level staff and provides strategic direction, evaluates performance, and ensures professional development opportunities for a team of housing professionals.

Stakeholder Engagement and Advocacy: The CEA will establish and maintain credibility among high level public and private sector officials including conducting daily interactions with national syndicators of low income housing tax credits, attorneys, accountants, lenders, local officials, and developers. The CEA will engage with stakeholders and program participants through one-on-one meetings and the establishment of working groups or forums to gather input on program improvements and policy changes. The position will conduct public hearings, review and propose legislative initiatives, and respond to legislative inquiries.

Intergovernmental Relations: The CEA will testify on behalf of CTCAC/CDLAC at legislative hearings, including budget hearings, and represent CTCAC/CDLAC with the Department of Finance, Department of Housing and Community Development, California Housing Finance Agency and other state agencies. The CEA is also responsible for ensuring compliance with the Internal Revenue Code, particularly regarding the underwriting and financial feasibility of proposed projects.

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B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The CTCAC is responsible for administering federal and state Low-Income Housing Tax Credits (LIHTC) to support the development of affordable rental housing across California. In 2024, CTCAC allocated \$113,944,937 federal 9% LIHTCs to 55 projects, totaling 3,232 lower income units, and \$435,481,645 federal 4% LIHTCs to 138 projects, totaling 15,271 lower income units. The credits make it financially feasible to create housing that remains affordable. In addition to allocating credits, CTCAC ensures long-term compliance with affordability requirements and promotes equity by offering targeted opportunities for under-served communities.

CDLAC allocates California's annual debt ceiling and manages the State's tax-exempt private activity bond resources. These resources support developers of multifamily rental housing by helping them acquire land, construct new units, or purchase and rehabilitate existing properties for low-income Californians. In addition, CDLAC allocates a portion of the State's debt volume cap to finance exempt facility projects, including the development and improvement of solid waste disposal, recycling facilities, and industrial development. Bond resources are awarded to applicants through a competitive process.

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B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The CTCAC and CDLAC provide the majority of state and federal financial resources for affordable multifamily housing projects by awarding federal and state tax credits and federal tax-exempt bonds. State law designates CTCAC to award federal and state tax credits and CDLAC to allocate the State's tax-exempt private activity bond resources.

CTCAC is the largest allocator of low income housing tax credits in the nation. In 2024, CTCAC allocated \$113,944,937 federal 9% LIHTCs to 55 projects, totaling 3,232 lower income units, and \$435,481,645 federal 4% LIHTCs to 138 projects, totaling 15,271 lower income units. Additionally, CTCAC provided 25 of these projects with statutory state tax credit awards totaling \$165.1 million and provided 38 of these projects with competitive state tax credits totaling \$502.5 million. CDLAC allocated over \$5 billion in private activity bonds. The increasing and the ever changing complexity of the programs have created the need for this position to provide policy development and oversight of both CTCAC and CDLAC.

When the two Committees were first administratively merged, the structure established two CEA A positions: one to oversee CTCAC's Compliance Section and another to oversee CTCAC's Development Section and CDLAC. This structure was designed to reflect the natural alignment between the Development Section of CTCAC and the work of CDLAC, and to allow for close coordination between the programs during the transition.

Since then, the scale of both programs has grown significantly. Additionally, the reconciliation bill that passed Congress in early January included two key provisions that will dramatically and permanently increase the amount of affordable housing units that can be financed in CA through CTCAC and CDLAC. Taken together, these changes have the potential to double the amount of tax credits that CTCAC will allocated annually – or increase the amount of federal tax credits CTCAC allocates to an additional 20,000 lower income units per year. In order to efficiently implement these changes, CTCAC and CDLAC need to be more unified than ever and would be better managed through a single, executive-level leadership position. The work of the Committees has increased significantly in complexity, scope, and public scrutiny, particularly as housing needs intensify and regulatory requirements evolve.

The CEA overseeing CTCAC's Compliance Section will be upgraded to a CEA B who will serve as the Deputy Executive Director responsible for executive leadership and strategic direction in the development and administration of statewide policies governing the allocation of tax-exempt bonds and tax credits of both CTCAC and CDLAC. They will also develop and implement policies in response to evolving state and federal legislation, capital market trends and stakeholder needs.

The existing CEA A overseeing CTCAC's Development Section and CDLAC will be reclassified to the SSM III level to manage day-to-day operations and providing daily supervision for the Committee management level personnel who oversee the preparation of all documents associated with tax-exempt credits.

This adjustment provides a clearer delineation between policy and operations. It ensures that high-level policy decisions are centralized under one executive leader with a broad view of both programs, while operational oversight is delegated to a civil service classification more appropriate for day-to-day management.

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C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

CTCAC is the single largest administrator of affordable rental housing in California and the largest allocator of LIHTC in the nation. In 2024, CTCAC allocated \$113,944,937 federal 9% LIHTCs to 55 projects, totaling 3,232 lower income units, and \$435,481,645 federal 4% LIHTCs to 138 projects, totaling 15,271 lower income units. CTCAC is federally mandated to monitor these projects and compliance throughout the entire term of the project's regulatory period and after "placed-in-service." CDLAC issues tax-exempt bonds for lower income families and individuals and of preserving and rehabilitating existing governmental assisted housing for lower income families and individuals. The CEA will be the providing executive leadership and strategic direction in the development and administration of statewide policies governing the allocation of tax-exempt bonds and tax credits. The CEA will develop and implement policies in response to evolving state and federal legislation, capital markets trends, and stakeholder needs. For example, last year AB 846 was passed and signed into law requiring CTCAC to establish an annual rent cap for our regulated affordable housing developments. This meant developing and establishing new regulations as part of our fall regulation package and establishing a program internally for implementing the program. The CEA will lead on such regulation development and program development and administration.

The low income housing tax credits and tax exempt bonds are extremely competitive – both programs are oversubscribed by at least 3:1 – and are allocated based on a complex scoring system defined in CTCAC and CDLAC regulations. Based on the policy goals of the state and Committees, the CEA will develop and implement regulations that govern the allocation of tax-exempt bonds and tax credits. When projects are at risk of not receiving credits, applicants may appeal decisions based on issues such as financing gaps, environmental reviews, or site deficiencies. The CEA will review these appeals and independently issue precedent-setting decisions, directly influencing whether affordable housing projects advance. These determinations shape the development landscape across the state, affecting not only developers but also local governments and low-income residents who rely on the timely production of affordable units. As noted above, CTCAC and CDLAC annually review regulations and make regulation changes that have statewide impact. The regulations govern all aspects of the program and implement state policy goals by establishing program requirements and scoring system for highly competitive resources. This can involve policies in response to evolving state and federal legislation. For example, in July, the Federal government passed a law that changes the amount of tax exempt bonds an affordable housing development needs to access tax credits. This change could nearly double the number of affordable housing units the state could produce, depending on how states choose to implement the change. Our regulations needed to be immediately updated to allow the implementation of these changes, but also required determining the best policy for how to prioritize state funds that would be used in conjunction with these changes.

The CEA will have decision making and oversight responsibilities involving allocation and oversight of recovery housing funds. These funds are designated for rebuilding and preserving affordable housing in communities impacted by wildfires and other natural disasters. The CEA will lead the development of policies that govern how these funds are allocated and safeguarded, including negotiating complex agreements with lenders, investors, and local governments. For example, after the LA Wildfires in January, CDLAC developed a program priority for projects that are located within 10 miles of the fire boundary. The CEA will lead on regulation development such as this, which has broad statewide effect and requires high level critical thinking, stakeholder outreach, and policy development. Decisions made in this role are critical to ensuring that public funds are used effectively and that housing projects in disaster-affected areas are financially viable, legally compliant, and responsive to local needs. The CEA's work in this area has a broad impact on California's disaster recovery efforts and on the long-term housing stability of vulnerable populations.

The California Utility Allowance Calculator (CUAC) is California's energy consumption model for calculating utility estimates (Treasury Regulation 26 CFR §1.42-10). The CUAC is a tool to provide an estimate of what tenants will pay for utilities and is typically more accurate than other utility allowance sources. The CUAC is prepared by qualified energy analysts as defined in CTCAC Regulation Section 10322(h)(21). Use of the CUAC is limited to: new construction projects, rehabilitation projects applying for tax credits for which the rehabilitation improves energy efficiency by at least 20% or installs solar generation that offsets 50% of tenant loads and existing tax credit projects with new photovoltaics installed through a solar program administered by a municipal utility or joint powers authority, which offsets tenants' electrical load, and which includes site installation verification by a qualified HERS Rater. Energy analysts using the CUAC shall investigate and confirm the relevant energy efficiency measures actually used in construction of the project once the project has been completed, and model the units and building(s) are built. These relevant energy efficiency measures include any components, materials, system, etc. that impact the building's energy efficiency, including but not limited to the building envelope, heating systems, cooling systems, domestic hot water systems, and installed lighting systems. The CEA will be responsible for developing and implementing policy for CUAC. The use of the CUAC is critical to achieving the state's energy efficiency and climate goals and CTCAC works with the CA Energy Commission in updating the CUAC and implementing its utilization. The CEA will be responsible for ongoing collaboration with the CEC and determining the best application for the CUAC in regulation development. When a project switches from the housing authority utility allowance to the CUAC, this can have significant impact on the amount on rent a tenant pays and, conversely, the amount of rental income a property receives. This acts as an incentive for property owners to upgrade their properties to be more energy efficient. The CEA will be responsible for determining what is the appropriate threshold of energy efficiency upgrades necessary for a property to switch to use the CUAC and also balance that with the burden on the tenant for paying a higher rent. This has a significant impact statewide on all affordable housing tenants and also the state's climate goals.

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C. ROLE IN POLICY INFLUENCE (continued)**13. What is the CEA position's scope and nature of decision-making authority?**

The CEA reports directly to the Executive Secretary, CTCAC. The position is at the second organizational level and meets the CEA criteria of having a decisive role in policy-making, and will have regular involvement in department-wide policy and program management. This position works with exceptional independence on policy oversight and development, only seeking concurrence of the Executive Secretary of CTCAC on major policy issues. When acting in the absence of the Executive Secretary, the position works with full independence and reports directly to the State Treasurer, the CTCAC Committee Members, and CDLAC Committee Members. The CEA will have decision making authority over specific program areas that have statewide and direct public impact. This role will provide strategic leadership and oversight in the development and administration of statewide policies governing tax-exempt bond and credit allocations of both CTCAC and CDLAC. The CEA will lead responses to evolving legislation and market conditions, guide senior managers in interpreting complex policy, and ensure consistency in statewide implementation.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will oversee and develop new and existing CTCAC and CDLAC policies affecting programs and operations to implement appropriate policies, strategies, and initiatives to ensure alignment with departmental objective and statutory mandates. They will also provide decision making and oversight related to the lending of recovery funds to low-income housing projects such as developing new regulations and policies related to loan requirements, the creation of legal documents, negotiations with lenders, local governments, developers, attorneys, and sister agencies.

The CEA is a advisor to the Executive Secretary and plays an integral part in developing all proposed program regulatory changes. Additionally, the CEA will develop and implement policy changes related to changes in the Federal Internal Revenue Code.